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Ex-CIA acting chief favors canal treaty

COLORADO SPRINGS - A former acting director of the Central Intelligence Agency warned Friday that unless a new Panama Canal treaty is signed "all hell will break loose all over South America."

"We need a new treaty," E.H. Knoche, who left the agency in July, said in an interview after an address at the Colorado Bar Association convention. "That's an archaic treaty, an unfair treaty."

Knoche said he hadn't read the proposed new treaty between the United States and the Panama, but from news accounts he thinks it's "generally okay."

Knoche said that he does not believe that the Panama Canal, built in the early 1900s, is as important to the United States as it once was. But he noted that the major stumbling block in getting the treaty ratified is the issue of whether the United States could "intervene" in Panamanian affairs if it becomes necessary.

Americans opposed to the new treaty want language saying that the United States can intervene, Knoche said. But Panamanians regard the word "intervene" with hostility, and officials of both countries, to make the treaty palatable to their people, will have to find a way of ensuring American right to intervene while not using the word, he said.

(President Carter and Panamanian leader Omar Torrijos agreed in a Washington meeting Friday that the U.S. can defend the canal against any threat and send its warships through it ahead of other ships in any crisis. But the U.S. can act only to keep the canal open, and it can't use its force against Panama, the leaders agreed.)

Knoche was acting director of the CIA in the first three months of the Carter administration. He resigned after Carter appointed Adm. Stansfield Turner as director. Knoche said he and Turner disagreed about several major issues, but he wouldn't discuss them.

"I thought it was crazy to have two men at the top at loggerheads," said Knoche.

He defended the much-criticized CIA practice of using "covert action in foreign countries." He said in the past, covert action perhaps was used too often, but he said the United States needs to maintain its ability to influence foreign countries in that manner if necessary.

Knoche did say, however, that he did believe that President Carter would make "very, very little use of covert action."

The president's propensity is to negotiate with foreign countries rather than try to influence them surreptitiously, Knoche said.